

November 10, 2004

Mr. Scott E. Hogan, Esq.  
Baldwin, Callen & Hogan, PLLC  
101 North State Street  
Concord, NH 03301

Re: DW 04-132, Hampstead Area Water Company  
Petition for Authority to Issue Long Term Debt  
Request for Hearing

Dear Mr. Hogan:

On October 22, 2004, the Commission approved Hampstead Area Water Company's petition for authority to issue debt to finance the construction of a water storage facility. In Order No. 24,386, the Commission noted that your client appeared at a public hearing and stated that he opposed a variance that had been granted by the Town of Hampstead for construction of the storage tank. The Commission, however, found that the proposed financing was consistent with the public good, that the terms of the Drinking Water State Revolving Fund financing were reasonable and that the use of the proceeds was reasonable.

On November 2, 2004, you filed, consistent with the provisions of Order No. 24,386, a request for a hearing in which you point out that your client had appealed to Rockingham Superior Court the Town's grant of the variance. You also assert that Hampstead Area Water Company "failed to disclose the proposed 37% rate increase to the zoning board during the course of its application."

The issue you raise with respect to the local land use dispute now before the Rockingham Superior Court is not relevant to the Commission's inquiry under RSA 369:1 as to whether the proposed financing is consistent with the public good. Furthermore, the Commission was aware of the dispute when it issued Order No. 24,386 (see p.3) and it was also aware of the potential rate impacts (see p.2). The public good inquiry into the financing conducted by the Commission goes to issues of economic justifiability. The propriety of the Town of Hampstead's variance for the storage tank, therefore, is outside the scope of the Commission's jurisdiction. Accordingly, there are no issues that would merit hearing and the request is denied. As of November 10, 2004, in accordance with its terms, Order No. 24,386 is in effect.

Very truly yours,

Debra A. Howland  
Executive Director and Secretary

cc: Service List